

AMENDED IN ASSEMBLY APRIL 17, 2008

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 1838

Introduced by Assembly Member Huff

**(Coauthors: Assembly Members DeVore, Horton, La Malfa, Maze,
Silva, and Spitzer)**

(Coauthors: Senators Harman and Hollingsworth)

January 24, 2008

~~An act to amend Section 13320 of the Government Code, relating to~~
An act relating to state finances.

LEGISLATIVE COUNSEL'S DIGEST

AB 1838, as amended, Huff. State ~~agency~~ *department* budgets:
~~zero-based budgeting~~ *budget pilot project*.

Existing law requires every state agency and court for which an appropriation is made to submit to the Department of Finance for approval, a complete and detailed budget setting forth all proposed expenditures and estimated revenues for the ensuing fiscal year.

~~This bill would require that these budgets utilize a zero-based budget method, as defined.~~

This bill would require the department to develop and implement a pilot project under which at least 4 state departments shall submit a zero-based budget, with specified criteria, for the 2010–11 fiscal year, and would further require the department to report to the chairperson of the Joint Legislative Budget Committee, on or before December 31, 2011, regarding whether a zero-based budget for the participating state departments resulted in an increased cost-effective delivery of public services.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. (a) *The Department of Finance shall develop*
2 *and implement a pilot project under which at least four state*
3 *departments shall submit a zero-based budget for the 2010–11*
4 *fiscal year.*

5 (b) *The state department budgets created pursuant to the*
6 *zero-based budget pilot project shall contain information fulfilling*
7 *all of the following criteria:*

8 (1) *A description of each activity performed for which an*
9 *appropriation is made or requested.*

10 (2) *The legal basis for performing the activity.*

11 (3) *An itemized justification for the amount requested to perform*
12 *the activity.*

13 (c) *The Department of Finance shall evaluate the zero-based*
14 *budget pilot program and report to the chairperson of the Joint*
15 *Legislative Budget Committee, on or before December 31, 2011,*
16 *regarding whether a zero-based budget for the participating state*
17 *departments resulted in an increased cost-effective delivery of*
18 *public services.*

19 (d) *As used in this section, “zero-based budget” means*
20 *determining a budget by starting with a base of zero dollars and*
21 *adding dollar amounts necessary to conduct specific activities and*
22 *operations.*

23 ~~SECTION 1. Section 13320 of the Government Code is~~
24 ~~amended to read:~~

25 ~~13320. (a) Every state agency and court for which an~~
26 ~~appropriation has been made shall submit to the department for~~
27 ~~approval a complete and detailed budget at the time and in the~~
28 ~~form prescribed by the department, setting forth all proposed~~
29 ~~expenditures and estimated revenues for the ensuing fiscal year.~~

30 ~~(b) The budget submitted to the department for approval shall~~
31 ~~utilize a zero-based budget method.~~

32 ~~(c) As used in this section, “zero-based budget method” means~~
33 ~~determining a budget by starting with a base of zero dollars and~~
34 ~~adding dollar amounts necessary to conduct specific activities and~~
35 ~~operations. A zero-based budget shall set forth all of the following:~~

- 1 ~~(1) Each activity performed for which an appropriation is made~~
- 2 ~~or is requested.~~
- 3 ~~(2) The legal basis for performing the activity.~~
- 4 ~~(3) An itemized justification for the amount requested to perform~~
- 5 ~~the activity.~~

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